

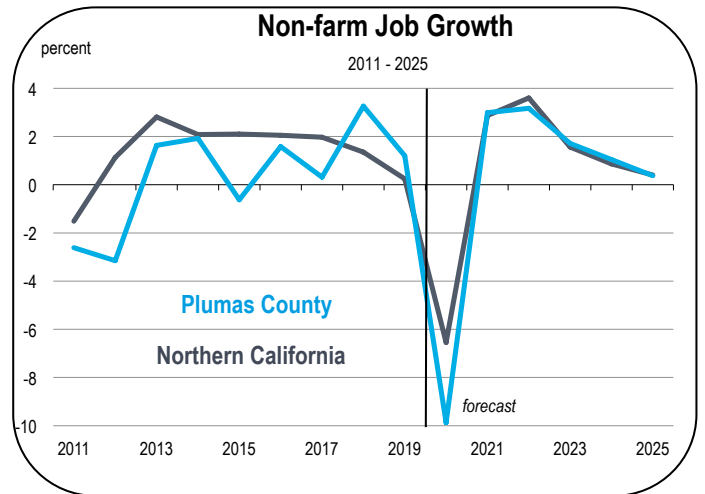
Plumas County Economic Forecast

Forecast Summary

- It is estimated that an average of 500 to 800 jobs will be lost in Plumas County during 2020. Job losses will be heavy in the first half of the year.
- Employment losses will be largest in leisure services, construction, manufacturing, and government.
- The unemployment rate averaged 7.8 percent in 2019. It will average between 13 percent and 16 percent during the 2020 calendar year.
- The Plumas County population is expected to decline by a small amount between 2020 and 2025.
- Home values are expected to increase very slowly in 2020 and 2021.
- Housing production during the 2020-2025 forecast period is expected to be similar to the 2014-2019 period.

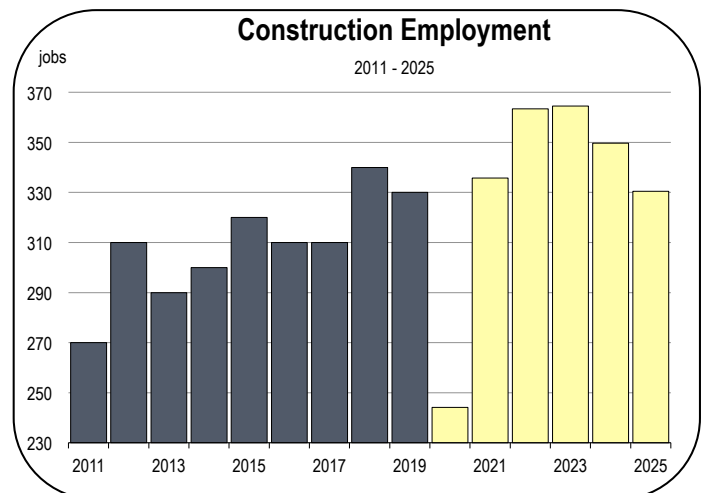
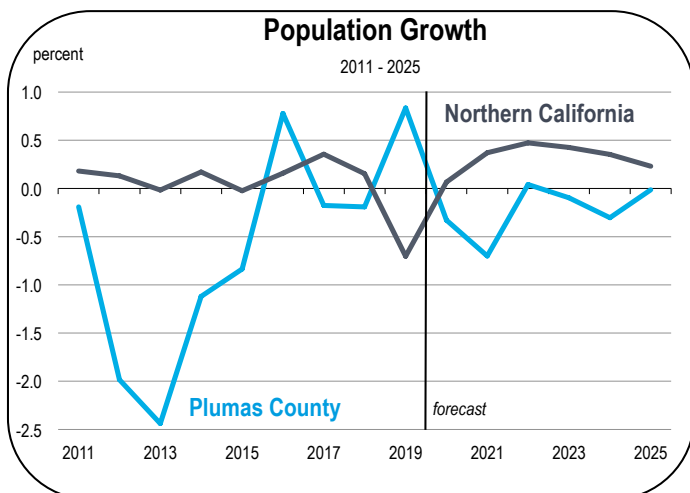
Job Growth

- Total employment in the County will decline by at least 8 percent in 2020. This is an annual average change from 2019.
- In 2021 and 2022, Plumas County is expected to re-gain many of the jobs that were lost during the Coronavirus Recession.
- The strongest employment gains in 2021 and 2022 are expected in construction, leisure services, and manufacturing.

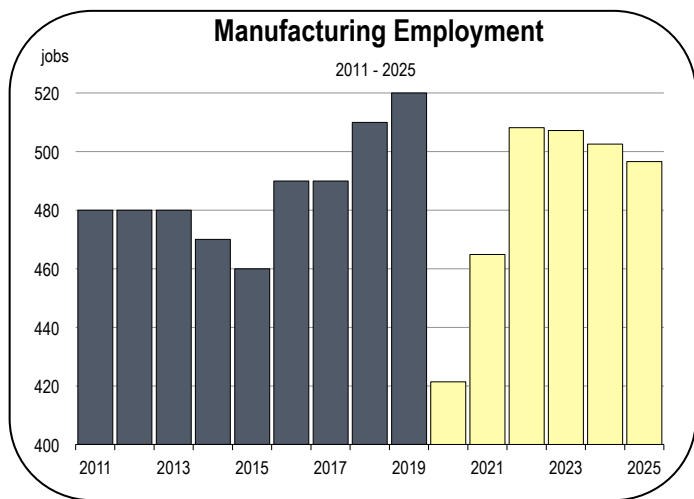


Construction Employment

- On an annual average basis, the construction sector is expected to lose up to 150 jobs in 2020.
- Most California construction activity was deemed non-essential for portions of March and April of 2020, leading to construction layoffs.
- Restrictions on construction were lifted in late April, and overall construction activity began to ramp back up during May and June.
- Construction projects will largely have resumed by 2021, but construction employment may begin to decline again before the end of the 2020-2025 forecast period.



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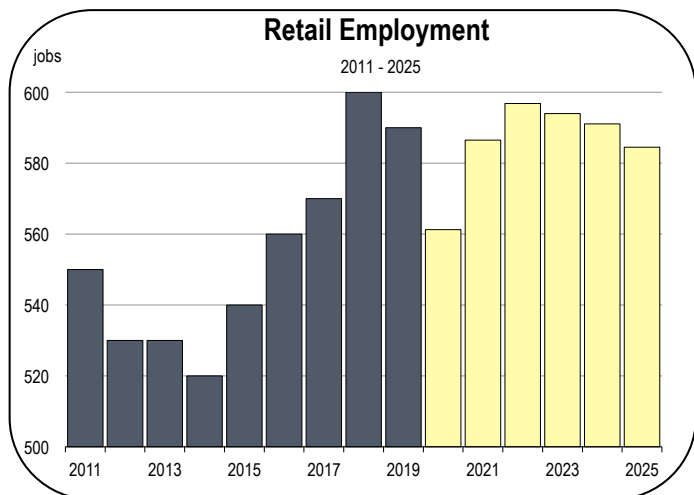


Manufacturing Employment

- The Coronavirus Recession impacted the Plumas County manufacturing sector heavily. Almost 50 percent of workers were laid off, at least temporarily, in the months of March and April of 2020.
- Manufacturing employment began to rebound in the summer months of 2020, and will continue to rebound into 2021 and 2022.
- The Coronavirus Recession could have a prolonged impact on the Plumas County manufacturing sector, and it is unclear if all jobs will be recovered by the end of the 2020-2025 forecast period.

Retail Trade Employment

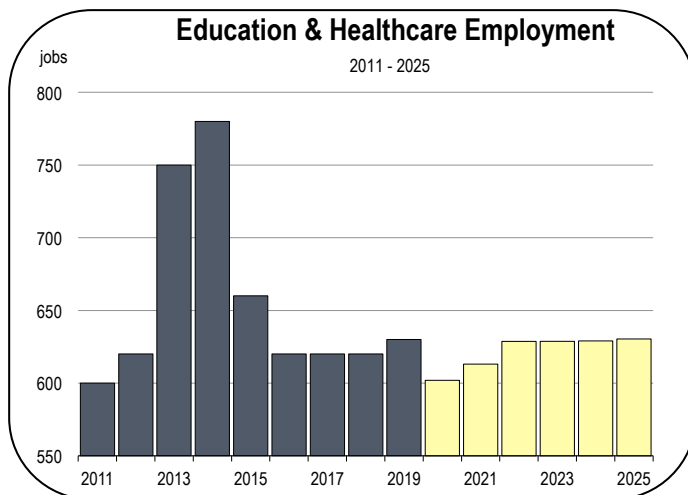
- The retail sector is expected to lose several dozen jobs in 2020 on an annual average basis.



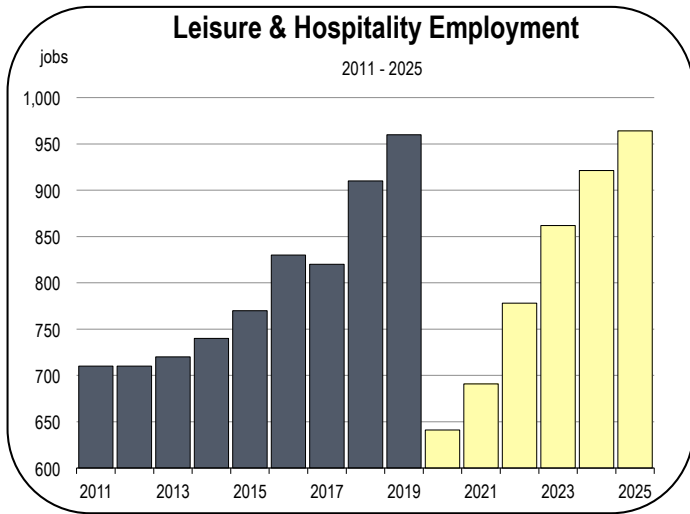
- A large share of Plumas County retail jobs are in grocery stores.
- Some retail chains chose to furlough their employees rather than lay them off completely, and furloughed workers are not considered to be unemployed. This is a technical detail that will mask the true number of work stoppages in the retail sector.
- Accounting for furloughed workers, more than 200 retail workers could be effectively not working and not earning an income on an annual average basis in 2020.
- Retail trade jobs will return after higher capacity in-store shopping is permitted and in a sustained way, but it is unclear if employment in the retail sector will eclipse pre-recession levels.

Private Education and Healthcare Employment

- There were 600 healthcare and social assistance jobs in Plumas County in 2019.
- Healthcare jobs were recession proof during the 2008-2009 financial crisis. However, some non-essential medical offices had to close in 2020, and others reduced employment levels because resources were not being utilized as envisioned to support Coronavirus patients.
- Jobs in social assistance, including industries like childcare, housing shelters, and non-medical care for senior citizens, were mostly classified as essential during the shutdowns. Nevertheless, there were layoffs at institutions with revenue shortfalls.
- There are very few jobs in private educational institutions in Plumas County.



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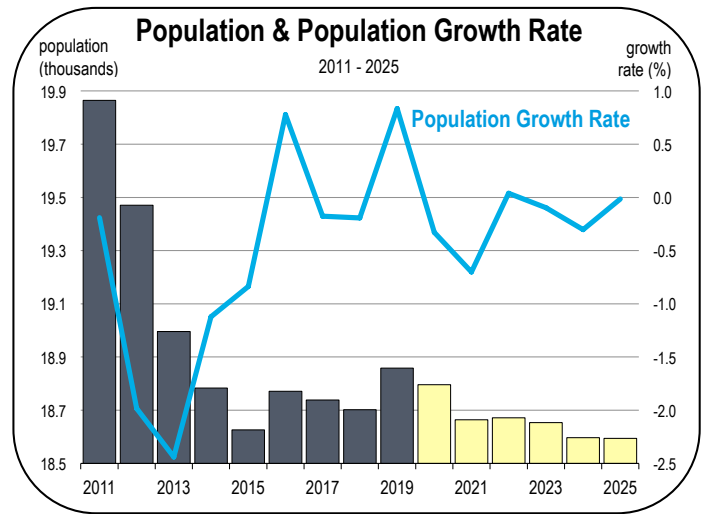
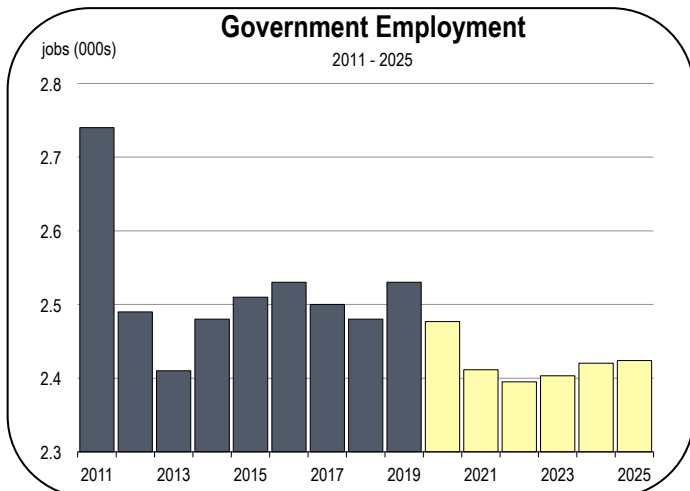


Leisure and Hospitality Employment

- In 2019, Plumas County had 900 jobs in restaurants, hotels, and bars.
- More than 50 percent of workers at hotels, restaurants, and bars were laid off in March and April of 2020, and another 30 to 35 percent had their hours cut or were furloughed without pay.
- Plumas County had approximately 50 jobs in entertainment and recreation in 2019, including facilities like fitness centers. Many of these organizations will operate at reduced capacities into 2021.

Government Employment

- Government agencies are expected to lose revenue from taxes and fees in 2020, and these revenue shortfalls will likely persist into 2021 and 2022.
- When government agencies need to reduce expenditures on salaries, many workers are expected to be given unpaid furlough

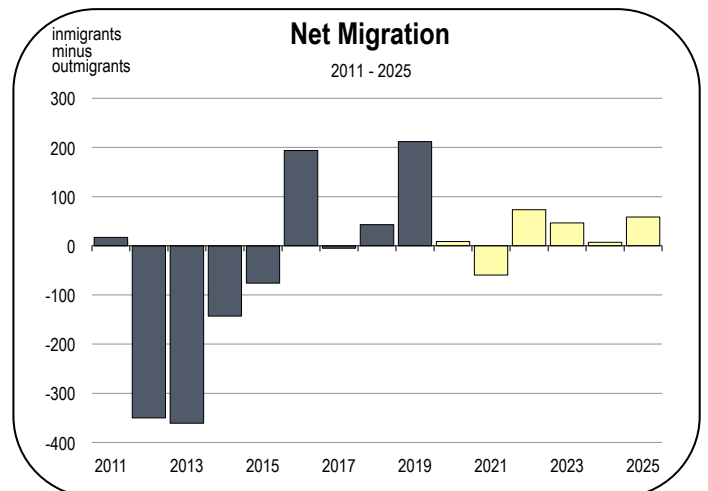


days that are distributed throughout the year, and many staffing reductions could be the result of hiring freezes rather than layoffs.

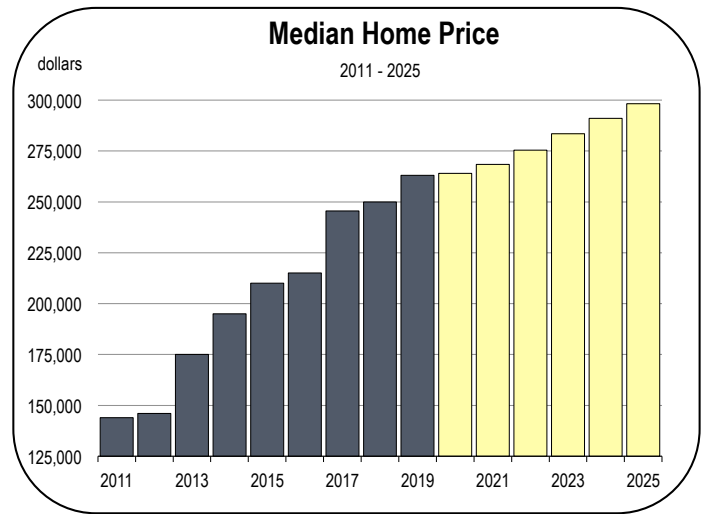
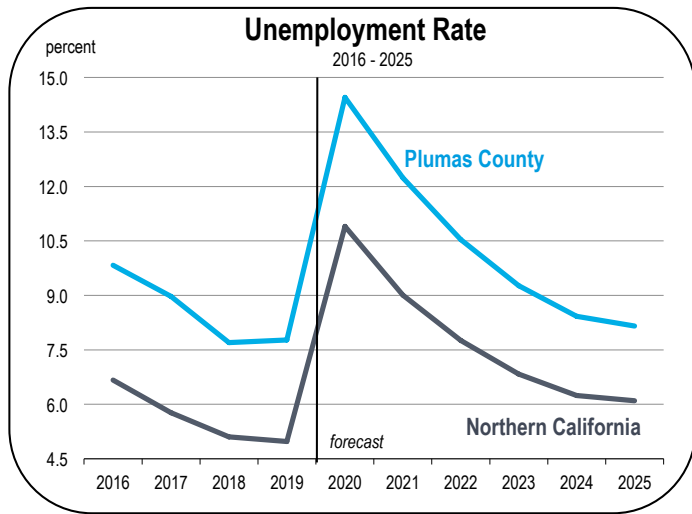
- However, if revenue shortfalls are severe and Congress does not appropriate funding to mitigate these shortfalls, government agencies may have no choice but to issue layoffs.

Population Growth

- The Plumas County population is expected to decline by a small amount between 2020 and 2025.
- The number of people moving into Plumas County is expected to be approximately equal to the number of residents moving out between 2020 and 2025.
- Because Plumas County has an older population base, the number of deaths has begun to exceed the number of births, which will put downward pressure on the overall size of the population.



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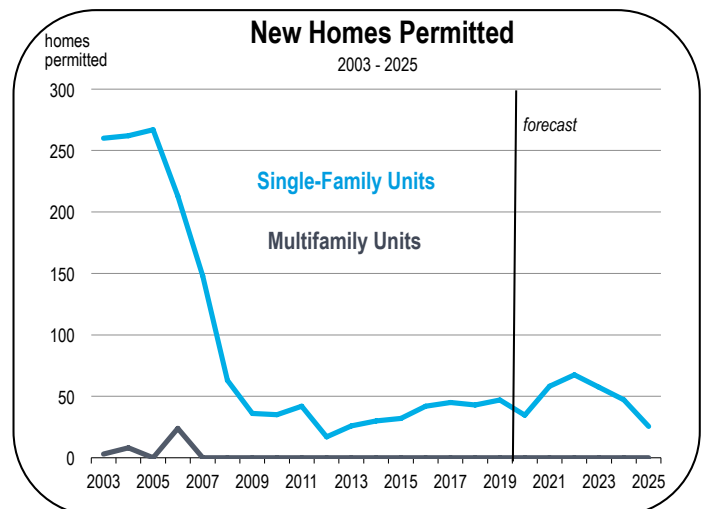
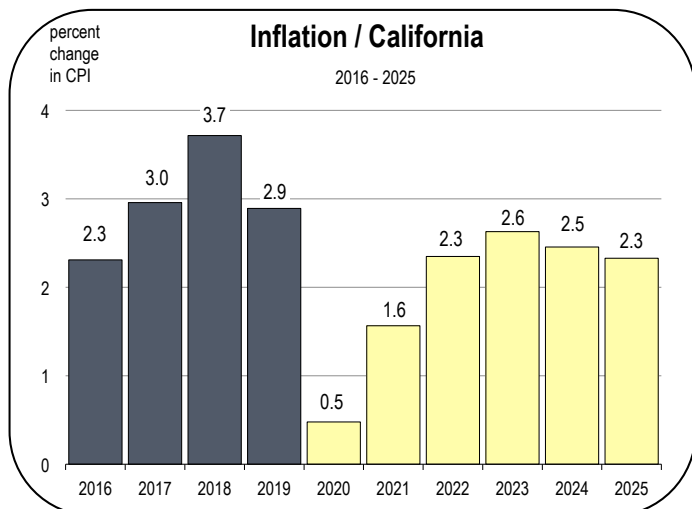


Unemployment and Inflation Rates

- The unemployment rate in Plumas County averaged 7.8 percent in 2019, which was above the composite rate for the Northern California region.
- The unemployment rate is expected to average between 13 and 16 percent in 2020.
- The unemployment rate is expected to remain elevated for several years, but is likely to improve more quickly than after the 2008-2009 recession.
- Inflation decelerated in 2019 as energy prices declined and home prices increased more slowly than the previous year.
- Inflation is expected to be very low in 2020 but could accelerate in 2021 or 2022.

Home Prices and New Housing Production

- In 2019 the median home price in Plumas County was \$263,000. The median price is expected to increase very slowly during 2020 and 2021.
- In Plumas County, the typical household spends less than 25 percent of its pre-tax income on mortgage payments or rent.
- Along Coastal California, the typical household spends more than 35 percent of income on housing costs, and in very expensive markets like San Francisco, housing costs often account for more than 50 percent of income.
- From 2014 to 2019, an average of 239 new homes were started per year in Plumas County. All were single-family homes.
- Housing production is expected to average 280 to 300 units per year from 2020 to 2025, consisting primarily of single-family homes.



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Socioeconomic Indicators

